April 9, 2008

100 Day Report

City of
Indianapolis
Gregory A. Ballard, Mayor

Published April 15, 2008

100 DAY REPORT

Table of Contents

	Executive Summary	2
1	Public Safety	4
2	Financial Picture	8
3	Education	10
4	Economic Development	13
5	Neighborhoods	15
6	Public Works	18
7	Parks and Recreation	21
8	IndyGo	23
9	Health and Hospital Corporation	24
10	Mayor's Action Center	26
11	Internal Efficiencies	28
12	Ethics Reform	32
13	International and Cultural Affairs	34

Appendix A: Fiscal Plan Summary
Appendix B: Impact of HEA 1001 (Property Tax Reform Legislation) on Indianapolis-Marion County

100 DAY REPORT

Executive Summary:

In the Ballard Administration's first 100 days, Indianapolis has taken several major steps toward establishing secure and safe streets and financial stability. Among these milestones was the nearly seamless transfer of authority over the Indianapolis Metropolitan Police Department back to the Office of the Mayor.

More early milestones resulted from working with the Indiana General Assembly during the 2008 legislative session. The State agreed to assume the costs of pre-1977 police and fire pensions, health care for the indigent, and other obligations previously supported by local tax dollars. Perhaps most importantly, the State capped property taxes, providing relief to homeowners and making Marion County more livable.

Public Safety initiatives and improvements in the way the City delivers services will create a sound foundation for Indianapolis, but the Administration also recognizes the importance of building strong neighborhoods on top of that foundation. The Front Porch Alliance was a successful program in the past, and it is one the Administration is revitalizing as a way to connect our neighborhoods to the Mayor's Office, to resources in the community, and to each other.

Ex-offender re-entry and abandoned houses are two fundamental issues to address as the City works to support neighborhood development. This Administration is the first in the City's history to help ex-offenders become productive members of our community by connecting individuals with services to help them adjust and find work. First steps are also underway in the fight against abandoned houses, often warehouses for drugs and guns and a blight on otherwise promising neighborhoods. Among the early steps being taken is an effort to reduce the amount of time it takes to condemn an abandoned house.

Education is a priority for this Administration. While the Mayor controls few of the levers of education, city government can influence the quality of education. The Administration is beginning to work with public schools and non-profits to improve graduation rates and to ultimately develop a more educated workforce.

The underpinning of each of the Administration's initiatives is building better relationships with businesses, community groups, and individuals. To be successful in this, high ethical standards and transparency are necessities. The Mayor's ethics reform legislation has been filed with the City-County Council. It is a comprehensive, clear set of guidelines that will hold public officials and city employees to high ethical standards and will improve public transparency by requiring all campaign contribution statements to be posted online for the public to view.

100 DAY REPORT

IndyStat is a new initiative set to launch this month which will measure performance outcomes of City agencies and present this information to the public in clear, concise terms. IndyStat combined with open quarterly budget reviews, will provide citizens with a clear understanding of how their tax dollars are being spent.

This transparent view into government is important to citizens' understanding of why and how decisions are made. Indianapolis can no longer afford to stay the course if it is to achieve long-term financial stability. Local government faces a structural deficit and financial challenges that will require a change in the way we do business. Further, the City must address the serious problems caused by a neglected, crumbling infrastructure. These problems are not insurmountable, but they must be addressed swiftly, and the public must play an active role in the process of change.

Fixing existing problems is one step toward improving Indianapolis, but making our city competitive for generations to come requires a broader vision and a commitment to make Indianapolis a truly international city. To this end, the Office of International and Cultural Affairs has been established and tasked with making the city one that welcomes and supports cultural diversity in the business community and in our neighborhoods.

This report details the challenges identified in Mayor Ballard's first 100 days, provides answers as to what the Administration is doing to overcome these challenges, and offers insight into how Mayor Ballard and his team are making Indianapolis and Marion County a place where businesses and families can thrive.

1 PUBLIC SAFETY

Public Safety is Job #1.
Ballard Rule #1

Challenges

City government's most important function is to keep citizens safe. Current public safety challenges include the following:

- *Lack of internal support for changes.* Indianapolis Metropolitan Police Department (IMPD) and Marion County Sheriff's Department (MCSD) were merged two years ago without being adequately consulted, and without genuine support from either the rank-and-file or from internal leadership. These challenges occurred at a time of the highest historical crime trends in the county.

- *Crime problem spreading.* Urban crime in Marion County has dispersed over a much wider geographical area. Response times are up on average as IMPD struggles to cover its new, larger service districts with existing resources.

- *Lack of public confidence.* Among the public and within law enforcement, there has been a loss of faith and confidence in the ability of law enforcement and criminal justice to fight crime.

- *Shortage of officers.* There is a shortage of officers due to failures to maintain the pace of recruiting and training, along with the implementation of an aggressive personnel buyout option that created a management exodus. There is an almost complete lack of engagement in cultivating and training managers, leaders, and successful project managers.

- *Aged vehicles.* The vehicle fleet for both police and fire has been allowed to age through unwise deferred maintenance, thus becoming unreliable and unmarketable for resale. Approximately 700 vehicles in the police department alone have logged an excess of 130,000 miles.

- *Declining funding sources.* Federal funding sources for additional officers and task force approaches, *e.g.*, "COPS," "Byrne (Justice Assistance)," and "Weed-and Seed" grants, are declining sharply.

- *Unrealistic budgeting.* The Indianapolis Fire Department found itself budgeted to expend about $150,000 in overtime for the entire year of 2008, when in fact the department had spent nearly $2.7 million in overtime in 2007, and thus predictably

exhausted its yearly overtime budget within two weeks of the start of calendar year 2008. This misleading budget breeds uncertainty and cynicism, and distracts from the essential tasks of remaining prepared, trained, current, qualified and equipped for fire, rescue and paramedic service in the 21st century.

- *Animal Care and Control.* Animal Care and Control, budgeted this year for enhanced law enforcement initiatives of its own, may find some of its supplemental budget diverted back to basic kennel operations in order to handle the effects of the Humane Society's policy change to stop accepting stray animals.

Actions Taken

The Department of Public Safety is taking the following steps to improve public safety in Indianapolis-Marion County:

- *Implementation of community policing*. IMPD is working to implement "problem-oriented" policing, which uses data analysis to identify incidents of crime that can be prevented by opportunity deprivation. This type of policing also signifies a shift in attitude and requires officers to ask "what's happening," rather than "what happened?"

    - Community policing requires power-sharing and prioritization in conjunction with the community.

    - Community policing requires good, up-to-the-minute crime data. It requires accurate, current, usable crime statistics so that IMPD can stay on top of trends. Accordingly, IMPD is working to improve its data collection and analysis capabilities.

    - Mayor Ballard has asked Director Scott Newman to assemble a crime analysis office which will act as a clearinghouse for the latest data on crime trends as it is reported by patrol officers on their beats.

- *Operational efficiencies*. IMPD has already taken the following steps to become more efficient.

    - Eliminated two layers of bureaucracy.

    - Changed the way dispatch operates to conserve uniformed officer time.

    - Added three classes of recruits.

  - Preparing an analysis of ways to use the latest in connectivity/wireless broadband in all police cars to minimize downtime.

- *Improved targeting of high-crime areas*. The plan, designed by the new IMPD command staff, Chief Spears and Director Newman, is already underway in twelve of the targeted "worst beats" for crime.

- *Planning for future fire department consolidations*. The Department of Public Safety continues to press ahead with planning for possible future fire department consolidations. Whether consolidated one at a time by agreement (like Washington and Warren Townships) or by legislative action, the Department will be ready to further consolidate fire services to deliver better, more efficient service.

- *Improving Animal Care & Control*. Early in 2008, the Department's animal care partner, the Indianapolis Humane Society, informed the public that the Humane Society would no longer accept stray animals. The Department took this unfortunate news as an opportunity to enhance efforts to save the lives of animals and provide protection to the public from stray dogs and trained fighting dogs. To date, they have implemented the following strategies:

  - Increased collaboration at the intake stage.

  - Recognition of heroic animal welfare efforts and shelters.

  - Renewed commitment to adoption efforts and spay/neuter initiatives.

  - Substantial improvements to the animal control facility, making it a more visitor-friendly place for the public.

ABANDONED HOUSING INITIATIVE

Challenge

Problems caused by abandoned houses. Vacant and abandoned properties, whether residential or commercial, create costly problems for cities and pose a threat to safe neighborhoods. They drain resources, detract from the quality of life, and limit economic opportunities for those living around them. They are an impediment to individual neighborhood redevelopment and ultimately to achievement of city-wide economic development goals. Minimizing the harm done by vacant and abandoned properties and restoring them to productive use is a top priority for Mayor Ballard. Abandoned houses are magnets for crime, and many of these structures are warehouses for drugs and guns.

Actions Taken

- *Abandoned Housing Liaison.* As a result of restructuring the police department, Mayor Ballard is looking at new ways to combat crime. One of the new tactics involves the creation of an Abandoned Housing Liaison position. The Liaison, while working for the new Crime Reduction Strategist, has been charged with the task of reducing the number of abandoned houses in Indianapolis.

- *Abandoned housing plan.* A day-to-day abandoned housing plan has been created to address the immediate problems that could be easily identified as public safety issues and that could demonstrate immediate results to citizens. A vacant houses registry has been created to better track these properties. An abandoned housing task force comprising employees and concerned citizens has begun to meet regularly. The goal of the task force is to establish a comprehensive, long-term strategy to reduce the number of abandoned houses. The task force is considering many solutions to combat the problem, including modifying the process for demolition of high-priority unsafe buildings -- typically those damaged by fire, reviewing local ordinances and state laws that apply to abandoned properties and improving coordination among city departments and community organizations.

- *Nonprofits helping out*. The Administration has drafted an ordinance that will allow more nonprofit organizations to acquire abandoned properties from the land bank. This will ensure that more properties are reclaimed and rehabilitated faster than in the past. The ordinance was recommended for approval by the Council's Metropolitan Development Committee on March 31, 2008 and is expected to be heard before the full City-County Council in April 2008. The Administration has developed partnerships with Youthbuild, United North East Community Development Corporation Foster Care and Purdue Community Gardens to find productive uses for abandoned properties.

- *Assembling larger plots.* The Administration will also use the land bank to assemble groups of lots that could be developed as a project, rather than individually. This project-based redevelopment has the potential for greater impact in neighborhoods.

2 FINANCIAL PICTURE

Local government officials should make financial decisions based on the welfare of the city 10 - 50 years out.
Ballard Rule #2

Challenges

- *Local government's expenses exceed its revenues*. Local government has lived beyond its means in recent years, and it is on an unsustainable financial path. Appendix A: Fiscal Plan Summary provides an overview of Marion County government tax-supported operations, including a financial forecast of the current and future obligations of the tax-supported operations of each local unit of government. This analysis, performed by the public accounting firm Katz, Sapper and Miller, indicates that the current structural deficit in local government (which includes all local units of government supported by the property tax) exceeds $151 million. By 2012 this deficit is projected to exceed $361 million.

- *The Ballard Administration inherited a fiscal year 2008 deficit of $26 million*. Upon taking office on January 1, 2008, the Ballard Administration discovered a current fiscal year budget gap of $26 million, requiring budget cuts this year of at least that amount.

Actions Taken

- *Fiscal discipline.* Mayor Ballard has worked with all City-County departments to instill a new sense of fiscal discipline. The Mayor asked every City-County department to review its current fiscal year budget and asked all departments to hold spending to 95% of the year's budget. Departments have identified ways to save money without adversely affecting services by eliminating unfilled positions, renegotiating or canceling contracts, and reducing non-essential services. Through this process, the Administration has already identified $9 million in current fiscal year savings.

- *Long-term strategic changes.* We must make fundamental changes in the way local government delivers services. Although the recent local government reform legislation (see Appendix B: HEA 1001 and its Impact on Indianapolis-Marion County) provides important relief to Marion County taxpayers in the form of caps and reduced costs to local government, including police and fire pensions, these changes reduce revenues to local government, which means that local government must cut spending. Streamlining government and finding more effective ways to provide

essential services will not be enough. There are simply too many layers of local government, with more than 40 different taxing entities in Marion County.

- *High Performance Government Team*. The High Performance Government Team is a body created by the City-County Council to review the operations of all taxing units in the city and county, to capture functional efficiencies in local government and to make recommendations to the Mayor and to the Council on how to implement its findings. The team was created in 2007 but the group was never convened.

  The team's purpose is not to find ways to cut the budgets of different departments. Its task will be to reach across budget lines and seek out synergies between functions of different departments within local government. The Mayor will ask the team to examine the findings of the *Kernan-Shepherd Report*, township fire consolidation, the 65% increase in the county option income tax, and consolidation of certain functions between City departments.

3 EDUCATION

The education level expected of children reflects the priority of citizens and government.
Ballard Rule #3

Educating the children of Marion County must be a high priority for the entire city. In order to attract and retain companies in Marion County we must provide them with a viable workforce. When nearly a third of our students fail to graduate from high school, we are not achieving that goal. City government must come together with all Indianapolis-Marion County schools and provide the resources they need to educate all of our children and provide our companies with the workforce they need.

Education has the power to transform lives. Although the first goal for many of our students must be to graduate from high school, educational attainment beyond a high school diploma is a vital component for the success of both individuals and communities.

Challenges

- *Graduation and literacy rates.* The Indiana Department of Education recently released the results of both federal and state accountability laws indicating that many of Marion County's public schools struggled in 2007 with Indiana Statewide Testing for Educational Progress-Plus (ISTEP+) results, attendance and graduation results when compared to counterparts across the state. Recent estimates suggest that 900 high school dropouts enter the Indianapolis labor force each year. These statistics are unacceptable. Mayor Ballard's goal is for Indianapolis high schools to obtain a 90% graduation rate.

- *Workforce.* In order to meet employers' demands for skilled employees, our community must do a better job of helping working-age residents acquire additional training beyond high school. The Mayor's Office is working to evaluate the effectiveness of current programs, identify best practices in workforce development, explore opportunities for unique partnerships and set goals for training Indianapolis citizens for quality jobs.

Actions Taken

- *Civic Involvement*. One part of the solution is greater civic involvement, which includes helping parents help their children. To help our children become educated and civic-minded citizens, we must come together as a community. The Mayor's Office will play a meaningful role in supporting our community's hard-working

educators, ultimately helping our children succeed in school. The Mayor sees an opportunity to assist every child in school by tracking their progress and, when needed, bringing together a full complement of social and community tools to help them overcome the challenges preventing successful education. Some children will not need any special assistance; their academic efforts are already yielding results. Other students will need help, and with the variety and scope of the vital nonprofit and community groups in our city, the resources to help should be available.

Tracking students and the results they achieve is critical to understanding what avenues we as a community should pursue to achieve success. One example of an impressive program sponsored by a community group is the United Way's *Ready to Learn, Ready to Earn* initiative. It aims to help children succeed in school and beyond, and it includes strategies such as volunteer tutoring, intensive reading programs, school-based mentoring, improving local childcare programs and establishing in-school health centers. Opportunities for our children exist beyond these areas, such as with math and character education, and city government and groups like the United Way can together provide a true complement to the educational system, a framework where community-based groups can be a resource for schools and children. No one solution will do enough to provide all of our children with the future that they deserve, but establishing partnerships to implement various strategic solutions can help us make a true difference in the lives of our children.

- *Charter Schools*. The Mayor's charter school initiative continues to achieve notable results for children and families in the Indianapolis community. Charter schools in Indianapolis have been recognized by state and national education groups for their outstanding student achievement gains. For example:

  - Two Mayor-sponsored charter schools – the Charles A. Tindley Accelerated School and the Southeast Neighborhood School of Excellence – were among only 22 charter schools nation-wide that were awarded the Effective Practice Incentive Community (EPIC) award for dramatic improvements in student achievement.

  - Nearly half (47%) of charter schools sponsored by the Mayor received the highest possible accountability rating as measured by Indiana's accountability system.

  - According to the Indiana Department of Education, Mayor-sponsored charter schools represent 30% of the top 10 most academically improved schools in the county. In fact, one Mayor-sponsored charter school, 21st Century Charter School at Fall Creek, ranked #1 in Marion County and #6 in the state of Indiana in terms of annual improvement on ISTEP+.

Mayor Ballard and the charter school staff are also engaged in programmatic improvements in how Mayor-sponsored charter schools are evaluated. This includes the development of a more detailed and rigorous evaluation model for schools serving high school students and using individual student growth on ISTEP+ as a critical part of evaluating the success of each school's academic program.

4 ECONOMIC DEVELOPMENT

Community welfare is a direct result of private companies wanting to call Indianapolis home.
Ballard Rule #4

Challenge

A vibrant economy is an absolute necessity if our citizens are to have opportunities to improve the quality of life for themselves and their families. Indianapolis has not been as active as needed in strategically positioning itself in terms of economic development. We need to make it a priority and not merely hope it will occur.

Actions Taken

- *IEDI.* To push the importance of Economic Development to the City of Indianapolis, the Mayor has appointed the first board of directors for Indianapolis Economic Development, Inc. (IEDI). IEDI serves as our local economic development organization and the City's "front door" for economic development. This new, diverse board of residents will work with the Mayor's Office and the Department of Metropolitan Development to chart a course of greater prosperity for our community.

- *Incentives.* Surrounding counties, as well as out-of-state cities, are positioning themselves to be major locations of economic investment. To remain competitive, the City has undertaken a thorough review of the current operations structure of economic development deals and has sought to introduce standardization into the process, allowing projects to be fairly compared to one another and not judged solely on precedent. The City is working to expedite its decision making when economic development possibilities present themselves. This allows the marketplace to move and decisions to be made as needed, and not allow for projects to be delayed.

Minority Business Development Department (MBDD)

The Minority Business Development Department provides business opportunities and economic development assistance to Minority-Owned, Women-Owned, and Veteran-Owned (MBE/WBE) businesses with the City of Indianapolis.

Challenges

- *Reporting*. The City has no reliable reporting system to collect data and monitor MBE/WBE program implementation.

- *Narrowing focus to Marion County.* The focus of the MBE and WBE initiative was overly-broad, resulting in many economic opportunities leaving Marion County to out-of-state vendors.

- *Measuring outcomes.* The City lacks outcome measurements to monitor the success of its MBE/WBE programs, including a mechanism to develop and strengthen the City's infrastructure for MBE/WBE development.

Actions Taken

- *Transparency*. Developed policies and protocols for monthly summary reports, identified program coordinators and contacts in City-County departments and agencies and began developing an integrated tracking and reporting system.

- *Promoting opportunities.* Initiated a business development component to promote minority business opportunities and public-private partnerships.

- *Helping those needing help.* Began a mentoring initiative through the construction industry to assist MBE/WBE firms in the construction market.

- *Veterans*. Developed a Veteran-Owned Business initiative to focus on contract opportunities for Veteran-Owned Businesses.

5 NEIGHBORHOODS

Citizens are proud of their city, but they live in their neighborhoods.
Ballard Rule #5

Challenge

Indianapolis is a collection of great neighborhoods. Despite great success in reviving some areas of our city, many others continue to suffer.

Actions Taken

- *The Front Porch Alliance*. The Front Porch Alliance will enhance the community building work of churches, neighborhood associations, and other value-shaping organizations. These organizations are uniquely designed to support families, provide activities for children and strengthen community renewal.

  Goals of the Front Porch Alliance include:

  - *Educate.* We educate our constituents and make sure our communities are aware of services and resources available.
  - *Connect.* We ensure that organizations, churches and service providers have a network to share information, resources and outcomes for the community.
  - *Enhance.* We convene stakeholders, highlight good work already being done and encourage public and private funding sources to support the work that is being done on the behalf of the community. We must also find ways to provide technical assistance in grant writing and management. This will set the stage to identify gaps in services or programming and encourage our churches and neighborhood associations to take the lead to develop programs as needed.

  Stakeholders of the Front Porch Alliance include:

  - Faith Based Advisory Board (to be created).
  - Neighborhood Associations.
  - Community Centers.
  - Nonprofit Organizations.

- Neighborhood Coordinators/Liaisons.

Programs identified that the Front Porch Alliance will enhance include: housing, re-entry, Adopt-a-Block, Adopt-a-School, health care, and senior citizen awareness.

- *Ex-offender Re-Entry Initiative*. The Mayor's Re-Entry Initiative will build bridges between service providers and the previously incarcerated men and women who reside in Indianapolis.

  The keys to the Mayor's re-entry initiative include:

  - Develop a collaborative model that reaches out to state, county and city governments in an effort to leverage all available resources.
  - Develop and enhance data collection.
  - Gather information on those who are providing services for the previously incarcerated to determine the current level of services and measure outcomes.
  - Organize a Marion County re-entry task force that will meet regularly to discuss local efforts and ways in which we can enhance services, strengthen collaborative efforts and build toward long-term sustainability.
  - Develop a single point of contact for those wishing to make suggestions regarding the manner in which re-entry efforts are handled in Indianapolis.
  - Work jointly with:
    - The Front Porch Alliance.
    - Faith-based organizations that address re-entry.
    - Abandoned house initiative.
    - Crime prevention initiatives.
    - Neighborhood organizations.
    - Marion County Community Corrections.
    - Marion County Prosecutor's Office.

- Marion County Re-entry Court.

- *Mayor's Night Out*. The Mayor's Night Out initiative was created to establish a direct line for community members to discuss neighborhood issues with the Mayor and the staff. A location is designated every month. The Deputy Mayor for Neighborhoods and City staff meet with local neighborhood leaders and visit local businesses throughout the afternoon. A questions and answer session is then held in the evening with the Mayor and all department heads. Residents are encouraged to ask questions and share their opinions and concerns.

6 PUBLIC WORKS

Department of Public Works (DPW)

The Department of Public Works (DPW) builds and operates much of the city's public infrastructure, including roads, sidewalks and sewers. Over the years, constrained budgets led to deferred maintenance. This has resulted in roads and sidewalks that too easily deteriorate in the winter and sewers that overflow during periods of heavy rainfall.

Challenges

- *Polluted waterways*. In 2007, the City agreed to federal government demands in a consent decree that it would upgrade its wastewater treatment facilities to decrease sewers overflow into local rivers and streams to fewer than four times per year. This requires an investment of approximately $1.8 billion between now and 2025. In addition, the City has committed a further $1.7 billion for urgent sewer maintenance and to extend sewers to unserved neighborhoods. As part of the federal government consent decree that promised to reduce the number of sewer overflows, the City created a rate-increase structure in 2005 that raised sewer rates by approximately 29% in 2006, 2007 and 2008. Additional rate increases, averaging 12% annually, were planned through the year 2025 to support these programs.

  During the Administration's first 100 days, DPW has reviewed the consent decree and has started to find adjustments that will reduce costs, continue to meet the City's commitments and provide a more environmentally friendly approach. Nationally recognized leaders and local consulting firms teamed with DPW managers to conduct a series of value engineering reviews resulting in reductions in equipment and storage sizes, energy and chemical savings and the capability to collect billions of gallons of sewage faster. We estimate that it can save 15-20% of the estimated costs, resulting in hundreds of millions in savings, while providing a safer environment for our community and reducing long-term operations and maintenance costs.

- *Deteriorating roads and bridges*. A natural deterioration of our roads and bridges due to age has often been accelerated by deferred maintenance which helped balance budgets at the time but is now making maintenance even more difficult and costly. DPW estimates that almost $1 billion is needed to bring streets, curbs, sidewalks and bridges to good condition. Just as we have reviewed the wastewater plans for efficient approaches, we are aggressively reviewing the management and capital investment plans of our streets.

The Department initially will focus on doing more preventive maintenance including crack sealing work, resurfacing and faster pothole filling. The enhanced management of our DPW operations and savings on the wastewater side will allow more funds to be allocated to transportation. Construction packages will be reconfigured to maximize savings and create efficiency in project management.

- *Obsolete vehicles*. Old and high mileage vehicles break down more often and have higher maintenance costs than newer vehicles. This means that purchasing newer vehicles, although requiring higher up-front commitments, can result in long-term cost savings. Currently, an estimated 55% of trash and snow removal equipment need replacement, and 600 public safety vehicles each show mileage in excess of 125,000 miles.

- *Rising materials costs*. Recent years have witnessed significant increases in commodity prices used by DPW, ranging from steel to asphalt and gasoline. This has the potential of significantly increasing the cost of DPW projects. For example, in the current fiscal year DPW faces $2 million in unbudgeted fuel increases.

- *Unfunded commitments*. The most obvious challenge for DPW has been the past practice of creating budgets in both operations and capital without setting aside the funds. Examples include:

    - $10 million committed in 2007 to sanitary and stormwater capital improvements left unfunded because of inaction by the Indianapolis Bond Bank. Projects included the Near Eastside STEP job, which recently was awarded.

    - $10 million for “paygo” or cash-funded sanitary and stormwater capital improvements -- needed to keep the programs on pace -- was not appropriated in 2008. In 2006 and 2007, this amount of funding was secured through additional appropriations from fund balances.

    - $2 million pass-through cost in the United Water contract not added to 2008 budget.

    - $1.5 million for salt used in latter part of 2007 funded with part of 2008 budget.

Actions Taken

- *Value engineering.* We have identified approximately $500 million worth of savings and cost avoidances through more thorough engineering and attention to better planning.
- *Reducing spilled sewage.* From 2008-2013, the City plans to invest more than $860 million to reduce raw sewage overflows, to bring sanitary sewers to neighborhoods on septic systems, to increase sanitary sewer capacity, and improve the city's two treatment plants.
- *Keeping our streets dry.* From 2008-2013, the City plans to invest more than $84 million in storm sewer and drainage improvement projects that will reduce flooding to neighborhoods, mitigate the destructive effects of standing water on our city streets and allow existing septic systems to function better through improved stormwater management. Key elements of sanitary and stormwater projects include:

    - The continuation of the Indianapolis North Flood Damage Reduction project (located on the White River), scheduled for completion of all phases in 2010.

    - Converting neighborhoods on septic systems to the city's sewer system. From 2008-2013, the City plans to invest nearly $100 million to provide sewers to approximately 2,500 homes. The number of connections will average approximately 450 homes per year, which is an increase in the average number of homes connected annually over the past 10 years.

    - The City anticipates starting and completing projects that will capture an excess of an additional 1.4 billion gallons of sewage overflowing into our streams by 2013.

7 PARKS AND RECREATION

Department of Parks and Recreation (DPR)

The Department of Park and Recreation's goal is to enhance the quality of life for Indianapolis residents by providing park and recreation resources and services that:

- Provide and/or facilitate quality recreation and leisure opportunities.
- Encourage and support natural and cultural resource stewardship and environmental education.
- Include safe, clean and well-maintained park facilities for the community's fun and enjoyment.

Challenges

- *How do we improve the safety of our parks?* Because public safety is job one, DPR's efforts are focused on improving the safety of City parks.
- *How does DPR become more focused on its mission?* As local government faces financial challenges, DPR recognizes the need to become more cost-effective and focus on those services that are unique and directly support its mission.

Actions Taken

- *The Park Crime Watch Program*. The Parks Crime Watch Program, overseen by DPR Rangers, relies on community involvement to report suspicious activities and crime. Using existing resources, Park Crime Watch teaches people how to properly spot and report criminal activities in their neighborhood parks. It allows Park Rangers to develop relationships with neighborhood groups to collaborate on issues and concerns in the park. In order to maintain the lines of communication between the Park Watch community and the department, meetings are scheduled as needed. These meetings allow DPR the opportunity to address specific. The Park Crime Watch Program currently has 10 parks that participate in the program.
- *Five-year comprehensive plan*. DPR is in the process of creating a five-year comprehensive plan that will guide the Department as it relates to grant funding opportunities, new facility development and new program development. Through this process, DPR will evaluate its programs and services to determine what operational improvements should occur.

- *"Green print" and environmentally-friendly initiatives*. DPR is making a significant effort to move information from printed materials to the Internet and other new methods of communication.

8 INDYGO

Indianapolis Public Transportation Corporation (IndyGo)

IndyGo is dedicated to providing a fiscally responsible and diverse public transportation network for the citizens, workers, and visitors of Marion County. IndyGo provides 31 fixed routes and three flexible routes around Marion County. IndyGo also manages a 100% federally funded program called Central Indiana Commuter Service (CICS), which promotes ride sharing in and around Marion County.

Major challenges

- *The rising cost of fuel.* Rising fuel costs turn directly into higher operating costs for IndyGo. Although these higher fuel costs also increase ridership as patrons choose to ride instead of drive, the majority of IndyGo funding comes from state and local funding, not the fare box.

- *Increases in the number of people using public transportation.* With the increase in the number of people utilizing IndyGo, which was up ten percent in 2007, buses are more often full and yet there is no available funding to add to the fleet. This problem will be studied and addressed in the coming months.

Action Taken

- *Locking in lower fuel prices*. IndyGo is currently in negotiations to guarantee the price of fuel for 2009 which should reduce pressure from fuel price fluctuations.

9 HEALTH AND HOSPITAL CORPORATION

The Mission of the Health and Hospital Corporation is to promote and protect the health of everyone in the community and to provide health care to those who are underserved.

Wishard Hospital

Challenges

- *Increased demand in health care services.* More residents of our City are finding themselves without health insurance. As a result, those residents often turn to Wishard, and in particular its emergency room, for their basic health care needs. Each year since 2003, Wishard has witnessed a record high number of in-patients.

- *Indigent and underserved health care costs continue to rise.* Drug costs, medical supply costs and employee costs are rising far faster than the rate of inflation. The rise in these costs added to shortages of critical employees, such as nurses, primary care physicians, and pharmacists, is driving up the costs that are borne by Wishard Hospital to provide health care.

- *Reimbursements from Medicaid, Medicare and commercial insurance declining.* That makes it more difficult to fund Wishard's care for the uninsured.

- *Wishard's aging and inefficient facility.* Wishard is carefully studying the needs of the facility for the next 30 years and developing a plan to meet those needs in the most prudent way possible.

Actions Taken

- *Improved hospital efficiency and productivity*. The response to the increased demand in health care services has been to continue to improve Wishard Hospital's efficiency and productivity so that it maximizes its resources. Wishard currently operates at the 90th percentile of teaching hospitals nationally for productivity and the 90th percentile for its cost per patient.

- *Preventive care*. Wishard has implemented numerous programs that emphasize preventive health care. These programs focus on increased access to primary and preventive care in order to reduce the amount of people who use the emergency room as a doctor's office.

- *Increased staff training*. Wishard is addressing the rising costs of serving the indigent and underserved by providing more employee training and wellness

programs through the Wishard Institute. These initiatives have lowered Wishard's attrition levels to well below the city and national averages.

- *Enrolling the uninsured in the Health Indiana Program*. Wishard is working with the State of Indiana to enroll uninsured city residents in the State's Healthy Indiana Program. This imitative will reduce the number of uninsured residents in the county and provide revenues to Wishard Hospital.

- *Diversified revenue sources*. Wishard has addressed the problem of declining or flat Medicaid, Medicare, and commercial insurance funding by diversifying its revenue sources in order to decrease its dependence on government and taxpayer funding.

Marion County Health Department (MCHD)

MCHD is the lead agency for addressing the health aspects of various emergencies, such as biological, chemical, pandemic flu, or terrorism. It also is in charge of health code violations.

Challenge

Abandoned housing and neighborhood blight from trash, weeds and health code violations. Abandoned housing can increase the risk that neighbors will live in unhealthy environments.

Action Taken

Working to solve issues caused by abandoned houses. Marion County Health Department is working closely with the City and other community partners to address abandoned housing and urban blight. The MCHD has increased its staff devoted to the issue of abandoned houses by 60%. As a result, MCHD cleaned a record number of properties in Marion County. In 2007, MCHD issued 21,080 orders on houses that were in violation of health codes and hauled away 17 million pounds of trash.

10 MAYOR'S ACTION CENTER (MAC)

The Mayor's Action Center (MAC) is a one-stop customer service center for citizens who have questions or service requests related to City-County government. MAC receives 200,000 calls a year and its hours of operation are Monday thru Friday, 7:30 am to 5:30 pm.

Challenges

- *Encouraging citizens to make service requests online.* It is faster and more cost-effective for the MAC to receive and answer citizen questions electronically. The MAC received more e-mail requests than ever in March 2008 (over 3,500) but opportunities still exist to move more traffic toward the website and e-mail, and away from phone lines.

- *Outdated data processing systems*. MAC employees must hand-enter information from e-mails and voicemails into the MAC's software system. We are considering a number of improvements which will minimize the amount of data entry by MAC employees.

- *High abandoned call rates.* The MAC's average abandoned call rate in 2007 was more than 20%. This is not acceptable for a government that should provide best-in-class customer service. Further, no goal setting has occurred for individual customer service representatives based on the number of calls a representative should be able to handle each day. By managing to our weekly performance measures and through the IndyStat program we are working to reduce the abandoned call rate to an acceptable industry standard.

- *High volume of repeat calls.* Citizens are unable to check the status of their service requests online or by any automated phone method. By collecting information on the front end (including caller's zip code) and by proactively communicating with callers via e-mail and voice mail, we can provide citizens with the status of their service requests and prevent repeat calls from occurring.

- *No monitoring of customer expectations or response rates*. The MAC does not currently have the capability to set expectations with citizens on when their service requests will be resolved. Further, no system exists for a regular review of response times to the resolution of various types of service requests. Beginning in April 2008, the Mayor's IndyStat initiative will measure these response rates and report the results, good or bad, to citizens via the City's website.

Actions Taken

- *Managing to numbers*. Clearly, business as usual must change. By managing to weekly numbers and by making technological improvements to make the MAC more easily accessible to the public, we are working to improve response times and the quality of information the MAC provides to citizens.

- *Benchmarking.* We are working with cities and organizations with best-in-class customer service operations (including 311 information lines) to identify new ways to modernize the MAC.

- *Performance measures.* We are working with Indiana University-Purdue University Indianapolis students to refine performance measures and track on a weekly basis those statistics that best-define customer service (abandoned call rate, number of repeat calls, etc.).

11 INTERNAL EFFICIENCIES

Challenge

Efficiency in government. It is incumbent upon government to spend tax dollars efficiently. The recent property tax reforms passed by the State Legislature will result in reduced revenues to local government, which means that local government must reduce spending.

Actions Taken

The Ballard Administration's early efforts include the following:

- *Eliminating unnecessary positions*. We have identified and eliminated unfilled positions throughout City government. In many instances resources were shifted and unfilled positions were eliminated.

- *Contracts*. We have renegotiated City contracts and in some circumstances terminated City contracts that are no longer necessary (examples include professional and legal services contracts).

- *Projects*. Planned capital and repair projects were examined by all Departments. Non-essential projects were identified and eliminated such as replacing office equipment and small repairs to facilities.

- *City capital assets*. We believe that the City owns too much property and does not utilize all of its capital assets at a high level. Marion County is responsible for over 1000 real properties and over 100 buildings. A review team led by the consulting firm Crowe Chizek is reviewing all City-owned real property and buildings to determine their relative levels of utilization (*e.g.* warehouses and storage facilities).

- *Duplication of functions across city and county government*. We are reviewing business functions that exist across City and County government – many departments have support functions that could be more efficient if they were combined, such as:

    - Financial management.
    - Human resources management.
    - Administrative law judges.
    - Real estate management.
    - Contract monitoring/management.
    - Collections and remittance services.
    - Data warehousing.

- Call centers.

- *Vehicles*. The City currently owns and is responsible for maintaining over 3000 vehicles. Many of the vehicles are allocated to non-emergency, non-public safety personnel. Maintenance on essential vehicles has been neglected. The City is examining its entire fleet operation to see where we can reduce the numbers of non-emergency vehicles overall and use the savings to fund our essential fleet needs.

- *Environmental savings*. The City will examine new "Green Print Programs" that focus on energy savings and water conservation. The programs will reduce costs and push the City to be more environmentally observant in its practices.

IndyStat Initiative

Challenge

Lack of outcome measures. Many government programs were started with only the best of intentions. Whether these good intentions have turned into good results for the residents of Marion County, however, is unknown because too often we don't even try to measure outcomes, much less compare those outcomes to costs. It is the Mayor's goal that citizens always know precisely what they are getting for their money.

Actions Taken

IndyStat. IndyStat is a management tool that utilizes performance measures to allow the Mayor to gain key insights on the operations of the City and push the departments of the city to produce specific results. IndyStat's main focus is on performance and on cost savings. The Mayor will utilize data and targets in a set of meetings specific to each department. In these meetings the Mayor and his leadership team will drive the agenda and focus personal attention on achieving results.

The IndyStat meetings will take place once a month for each department. The Mayor will use the ongoing regular meetings to examine data, analyze past performance and set the performance objectives the department is to move toward. IndyStat meetings will also help the Mayor set long-term performance strategies.

Exhibit 10-1: Mayor's Action Center, Actual to Budgeted Expenses

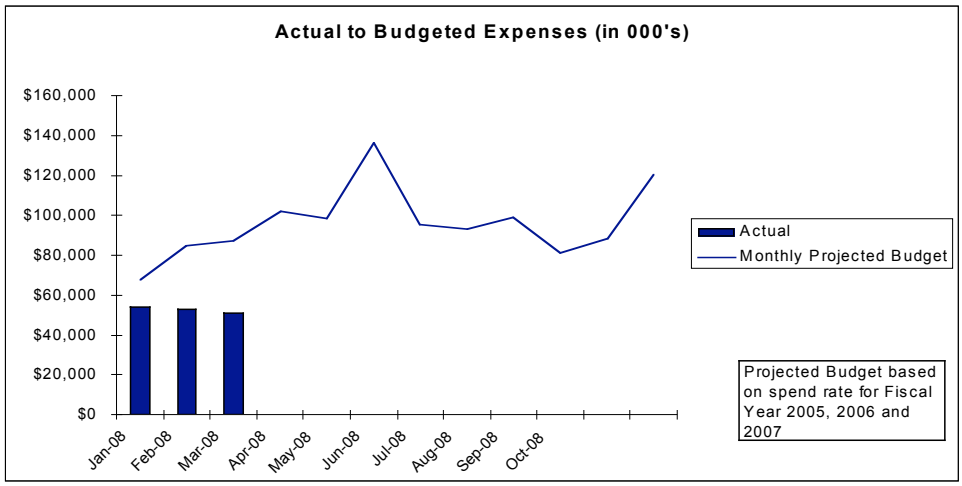
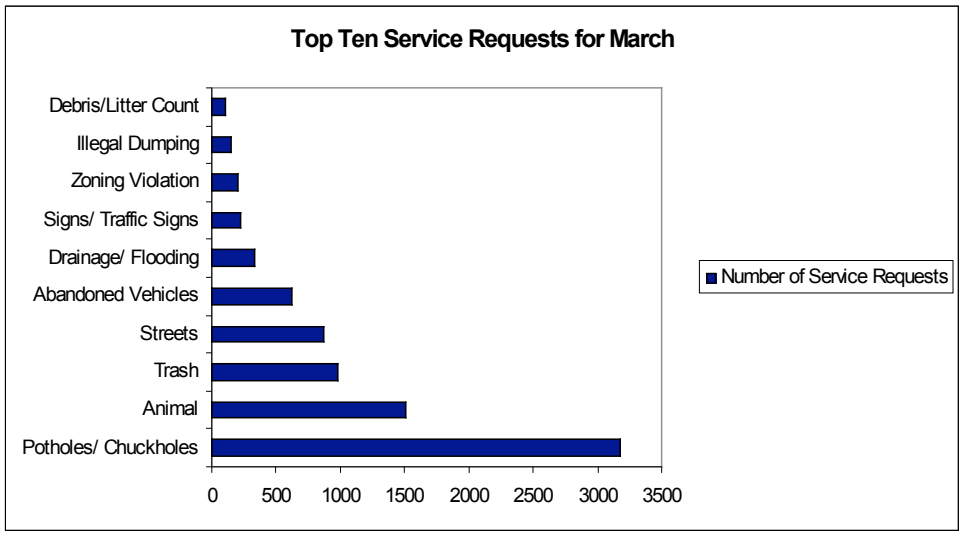


Exhibit 10-2: Mayor's Action Center, Top Ten Service Requests, March 2008



Two departments, the Mayor's Action Center and the Department of Parks and Recreation will begin IndyStat meetings in April. Four additional departments will be added in May. A group of departments will be added each additional month until all City departments are participating in the IndyStat initiative. Once all City departments are up and running with their IndyStat meetings, County offices will be invited to join the IndyStat process.

Another important facet of IndyStat will be quarterly budget reviews. These reviews will occur each quarter beginning in July 2008 and will be interactive meetings that are open to the public. Departmental budget data will be made accessible to the public so that citizens understand how their tax dollars are being spent. Citizens will be invited to ask questions and provide recommendations to the Mayor on how to more efficiently spend taxpayers' money and improve public transparency.

IndyStat will focus on and push the improvement of performance. The performance measures for each department will not only look at how the departments are spending resources, but how efficient they are at providing services. It will raise questions such as: Are the same services being provided by multiple departments? What should be the departments' targets to achieve ultimate efficiency and effectiveness in their operation? Where do opportunities exist to reduce costs? The Mayor will use IndyStat to guide city operations, improve service, and save money.

12 ETHICS REFORM

Challenge

Need for ethics reform. One of the issues on which Mayor Greg Ballard campaigned last summer was local government ethics reform. The Mayor made a promise to push for reform by holding city government employees, appointees and elected City-County officials to a higher ethical standard.

Actions Taken

Keeping his promise, Mayor Ballard has introduced a comprehensive ethics package currently pending before the City-County Council. The Mayor's ethics proposal is based on the rules that have been adopted by the State of Indiana. The proposed ethics ordinance accomplishes seven primary goals:

- *Registering lobbyists*. The registration of lobbyists who represent companies or firms who are doing, or are seeking to do business with the Mayor's Office, any agency of city government or the City-County Council.

- *Reporting gifts.* The requirement for lobbyists to report any expenses they incur providing entertainment or any other item of value to elected local officeholders or public employees.

- *Conflicts of interest.* The prohibition of persons with a financial interest from serving on any board or commission that directly affects or deals with their lobbying or financial interests.

- *Code of conduct.* The establishment of a "code of conduct" prohibiting the Mayor's Office staff, City department leaders, and mayoral appointees to boards and commissions from soliciting campaign contributions from firms that have a business relationship with their city office, board, or commission.

- *Prevention*. The creation of preventive measures to ensure that conflicts of interests do not arise for city employees and elected officials.

- *Disclosure requirements.* A more robust disclosure requirement and gift restriction for elected officials, appointees, and government employees.

- *Campaign reporting*. The requirement that all campaign reports of all elected officials be made public and available on the Internet.

The Mayor's ethics reform proposal is far more stringent than the ethics code currently governing local employees, appointees and elected officials here in Marion County. This will result in a more transparent local government, giving Marion County taxpayers the accountability they deserve and expect from its local officials.

13 INTERNATIONAL AND CULTURAL AFFAIRS

The Mayor's International and Cultural Affairs Division (ICA) promotes the global reach of Indianapolis by creating an awareness of the international community existing in the city and cultivating collaborative relationships throughout the world to promote Indianapolis.

Challenge

Indianapolis' international profile. If Indianapolis is to remain competitive in an increasingly global economy, it must improve its international profile.

Actions Taken

- *Establishing an International and Cultural Affairs Division.* Indianapolis is a multicultural city, and to recognize this, the current Latino Affairs Division will broaden its scope into the International and Cultural Affairs Division. This requires a redefinition of division goals and objectives to serve the needs of people of all nations residing in Indianapolis. It will also require the ICA to establish effective working relationships with all cultures represented in the city. Improving public safety efforts among people of diverse backgrounds will be the initial goal of the newly-established ICA.

- *Redefining the Latino Affairs Office.* The ICA will oversee all cultural affairs initiatives, including the Latino Affairs office. There will be a concerted effort by ICA to encourage Latino communities to more actively participate in city activities and government. Improving the effectiveness of public safety programs within the Latino community is the initial goal of this effort. Harnessing the economic development opportunities in this community is also a priority.

- *Formalizing division responsibilities.* The Mayor's Office of International and Cultural Affairs is responsible for: (1) international and cultural affairs, including serving as the liaison between international communities and the Mayor's Office and the promotion and cultivation of arts and cultural activities that celebrate these communities; (2) Latino affairs, specifically on the public safety and economic development issues that profoundly affect this largest and fastest-growing international group in Indianapolis; and (3) Establishing Sister Cities, both domestically and abroad that enhance Indianapolis' standing as an international city.

100 Day Report, April 9, 2008

Appendix A

City of
Indianapolis
Gregory A. Ballard, Mayor

Fiscal Plan Summary:

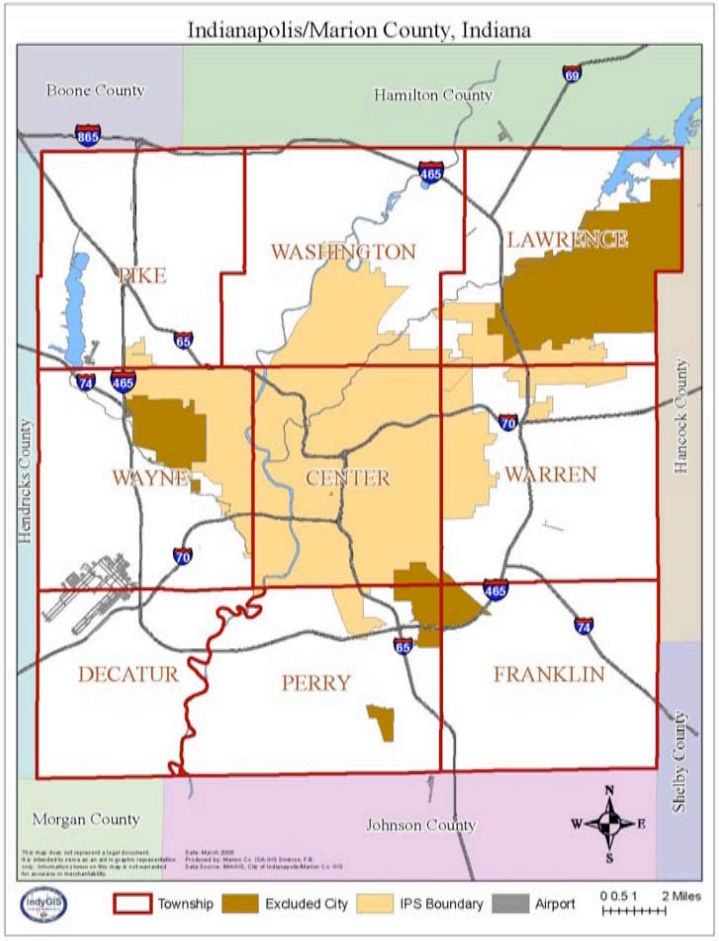
An overview of Marion County government tax-supported operations.

Analysis prepared by Katz, Sapper, and Miller

Appendix A: Fiscal Plan Summary

Years Ending December 2008 – 2012

April 9, 2008



Prepared by: Office of Finance and Management and

Indianapolis Local Public Improvement Bond Bank

Fiscal Consultant: KATZ, SAPPER & MILLER
Certified Public Accountants

Consolidated City of Indianapolis and Marion County (City and County)
(tax-supported operations only)

Indianapolis Marion County Public Library (Library)

Indianapolis Public Transportation Corporation (IndyGo)

Health and Hospital Corporation of Marion County (HHC)
(tax-supported operations only)

Composite Townships (Townships)

Composite Public School Corporations (Schools)

Table of Contents

Approach..... 4

Background and Understanding..... 7

- Recent History of Appropriations by Function
- 2008 Budgeted Expenditures by Character
- 2008 Budgeted Revenues by Source
- Assessed Value Average Growth 2004 - 2007

Financial Forecast..... 20

- Key Assumptions
- Revenues and Expenditures
- Fund Balances

Observations..... 27

City and County (tax- supported operations only) • Library • IndyGo • HHC • Townships (tax-supported operations only) • Schools

Approach

Objective: To provide an overview of tax-supported operations and a basis for long-term financial planning.

Task: Perform financial analysis for tax-supported operations of City and County taxing districts, focusing on financial obligations and structural deficits.

Financial analysis to include:

- Forecast of the current and future (5 years) financial resources and obligations of the tax-supported operations of each local unit of government.
- Identification of the structural deficits.

City and County • Library • IndyGo • HHC • Townships • Schools

(tax- supported operations only) (tax-supported operations only)

Scope: Prior studies have identified tax-supported operations as the biggest financial challenge facing local governments. This summary includes the following Marion County Governmental units and funds:

Consolidated City of Indianapolis and Marion County:

- Fire General Fund
- Fire Pension Fund
- Police General Fund
- Police Pension Fund
- Consolidated County Fund
- Transportation Fund
- General Sinking Fund
- County General Fund
- Parks General Fund
- Parks GO Debt Service
- Solid Waste Collection Fund
- Redevelopment General Fund
- Redevelopment Debt Service
- City Cumulative Fund
- Metro Thoroughfare GO Debt Service
- Property Reassessment Fund
- Metropolitan Emergency Communication Agency
- Capital Improvement Lease Fund
- Cumulative Capital Improvement Fund

Indianapolis-Marion County Public Library

IndyGo

Health and Hospital Corporation

- Wishard Hospital
- Marion County Health Department and Headquarters

Marion County Townships:

- Center
- Decatur
- Franklin
- Lawrence
- Perry
- Pike
- Warren
- Washington
- Wayne

Marion County School Districts:

- IPS
- Decatur
- Franklin
- Lawrence
- Perry
- Pike
- Warren
- Washington
- Wayne

City and County • Library • IndyGo • HHC • Townships • Schools

(tax- supported operations only) (tax-supported operations only)

Scope : The following operations are self-supporting enterprises or funded by special revenue funds and, accordingly, are excluded from this analysis of tax supported operations:

- Indianapolis Airport Authority
- Capital Improvement Board
- Indianapolis Waterworks
- Indianapolis Housing Agency
- Long-term Care Facilities Owned by HHC

Work Performed: Prepared a multi-year financial model:

- Obtained historical overview from recent year appropriations
- Interviews conducted with key resources
- Prepared key assumptions based on results of interviews and recent history
- Prepared a financial model including forecasted revenues based on current sources at current rates and expenditures based on current levels of service commitments as reflected in 2008 appropriations

By its nature, forecasting economic activity and costs of services would result in a wide range of results. Actual results may vary significantly from estimated amounts

City and County • Library • IndyGo • HHC • Townships • Schools

(tax- supported operations only) (tax-supported operations only)

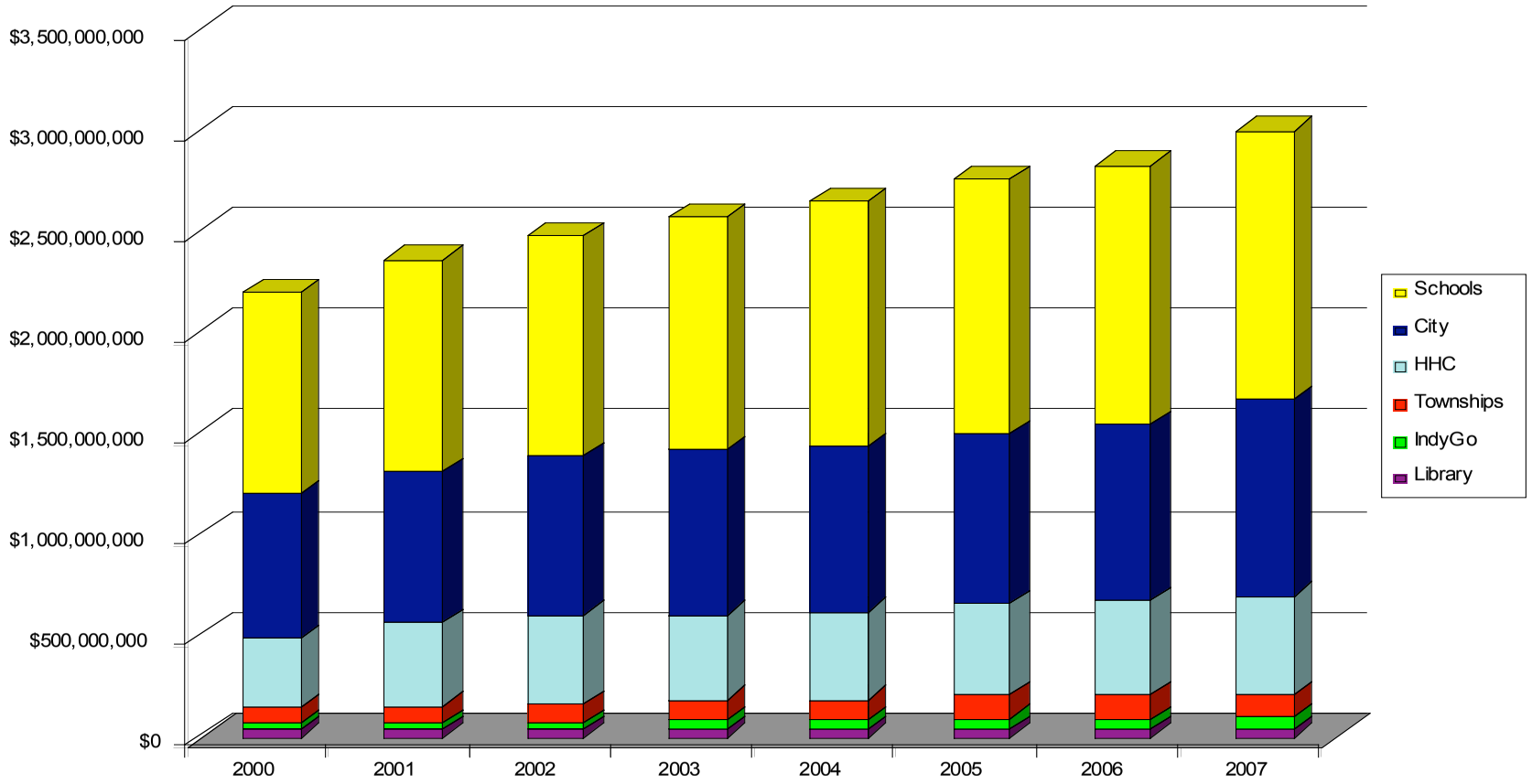
Background and Understanding

City and County • Library • IndyGo • HHC • Townships • Schools

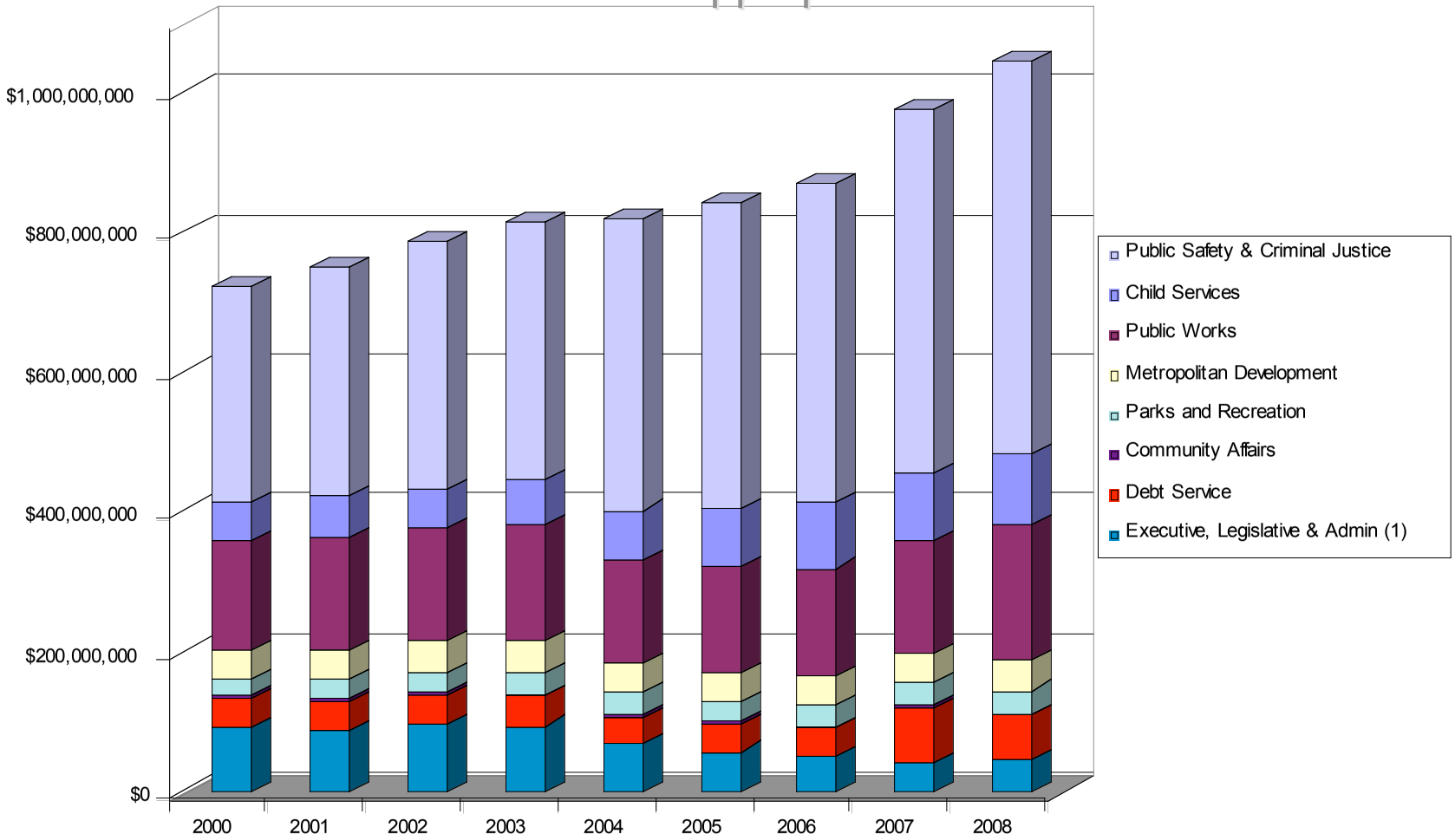
(tax- supported operations only) (tax-supported operations only)

Historical Appropriations

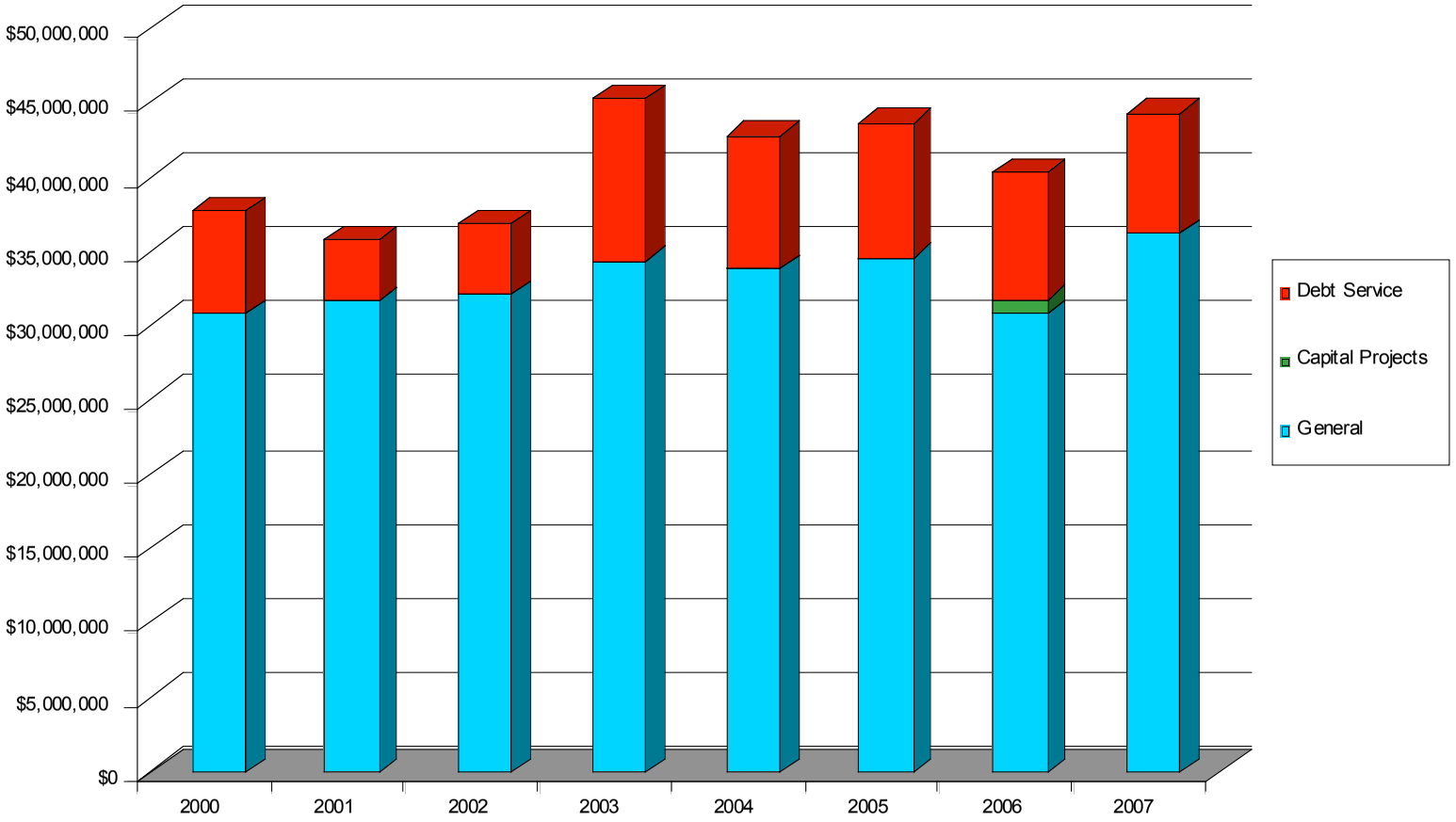
All Units Combined



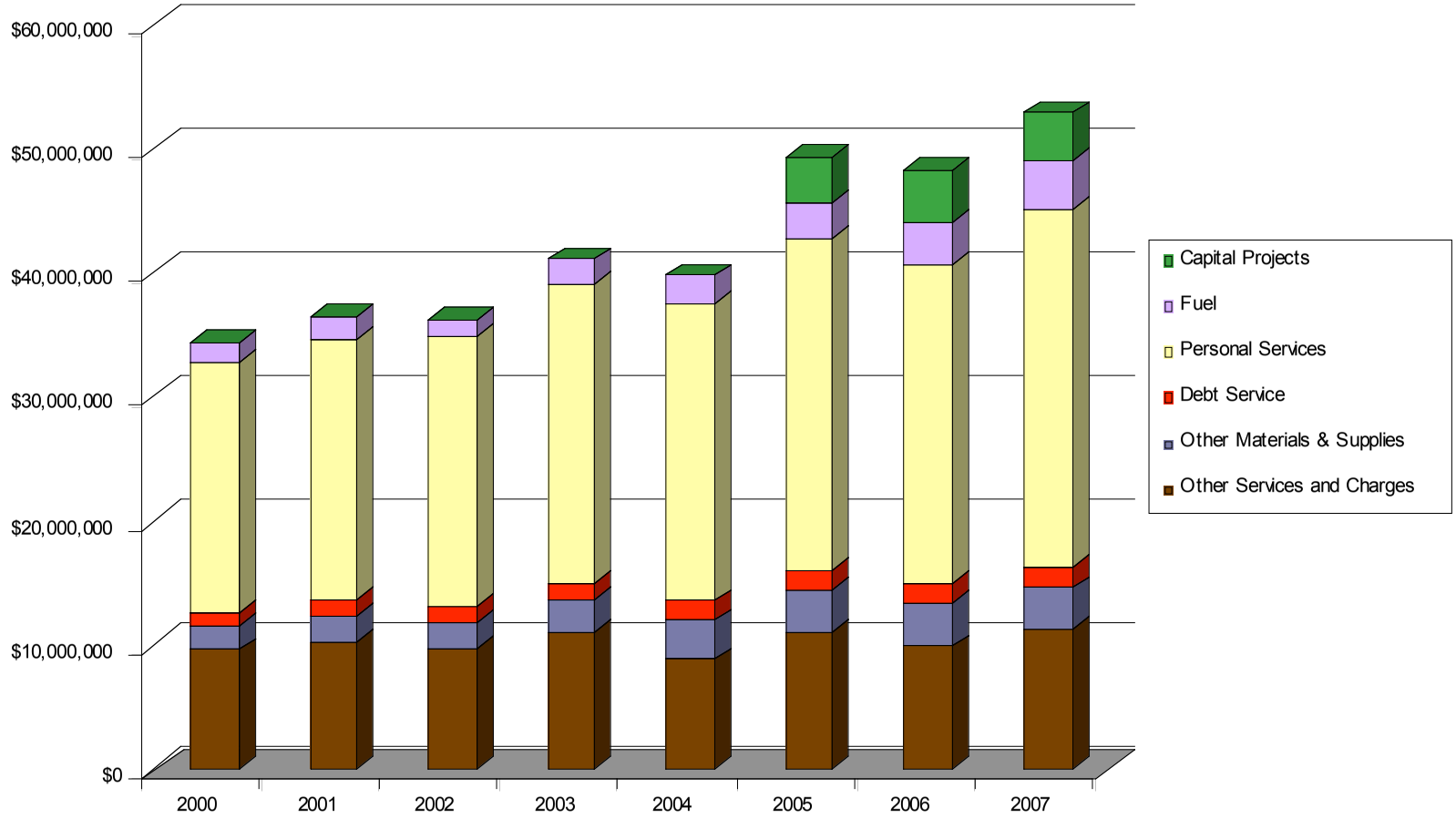
Historical Appropriations



Historical Appropriations

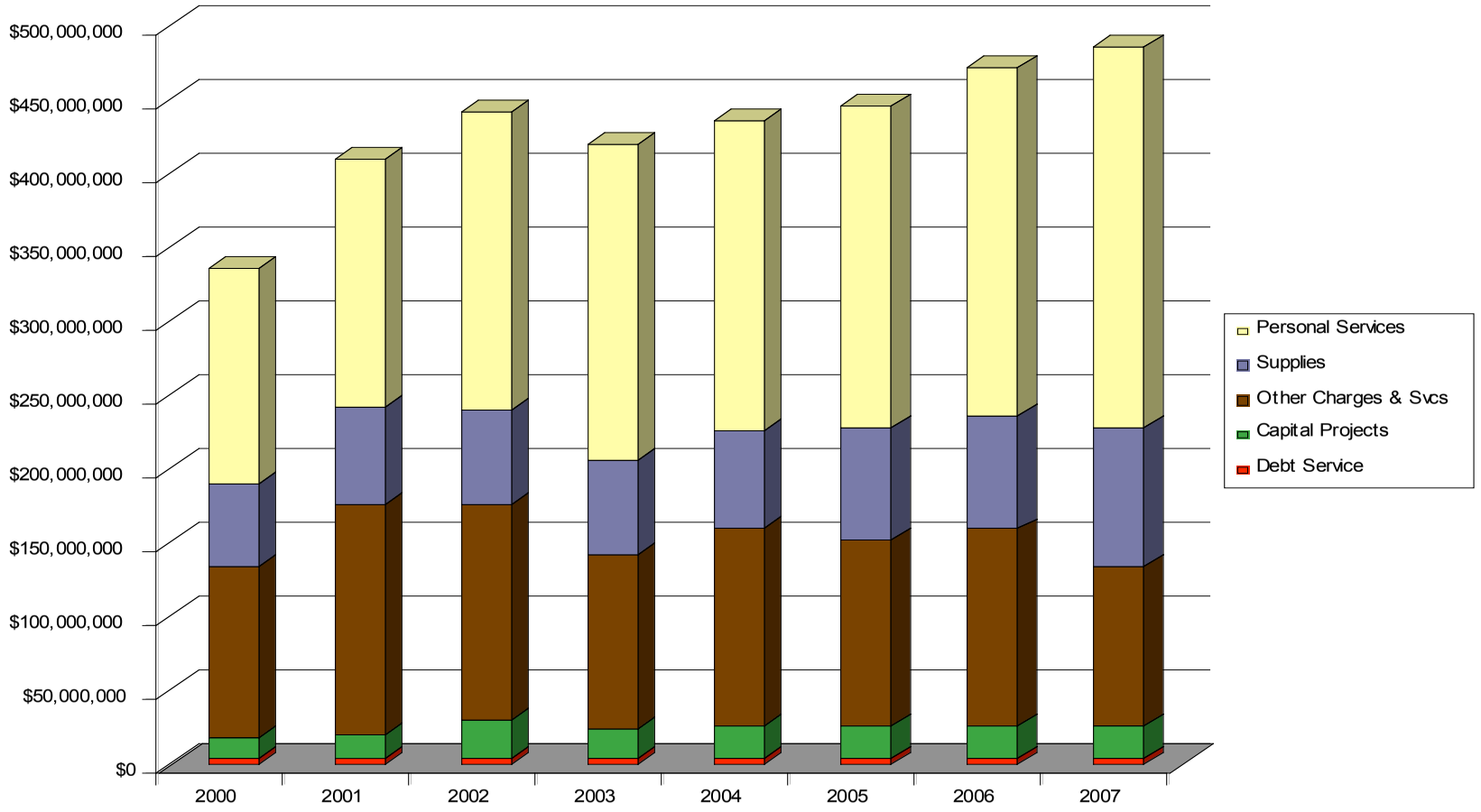


Historical Appropriations



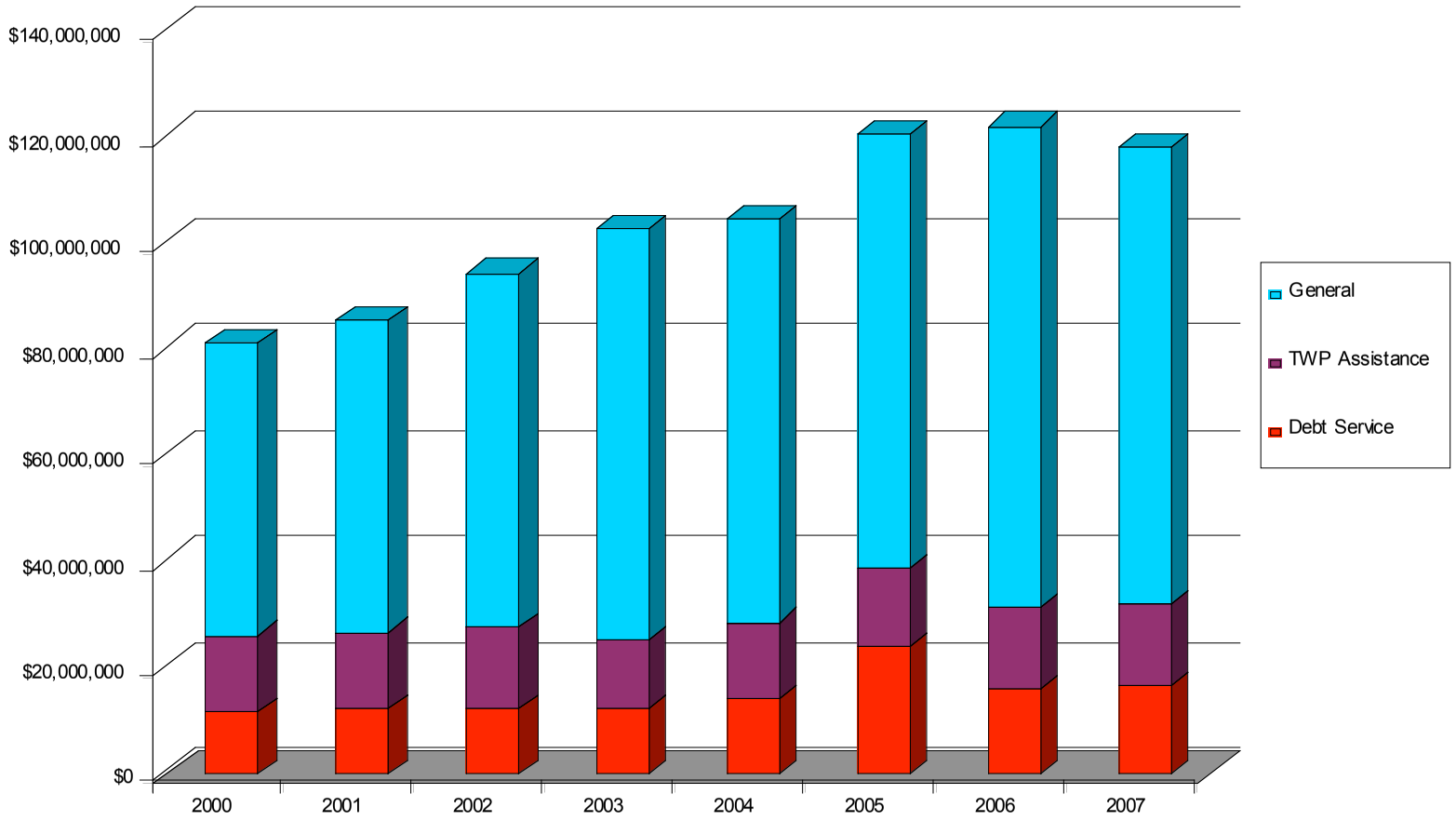
City and County • Library • IndyGo • HHC • Townships • Schools
(tax- supported operations only)
(tax-supported operations only)

Historical Appropriations



City and County (tax- supported operations only) • Library • IndyGo • HHC • **Townships** (tax-supported operations only) • Schools

Historical Appropriations

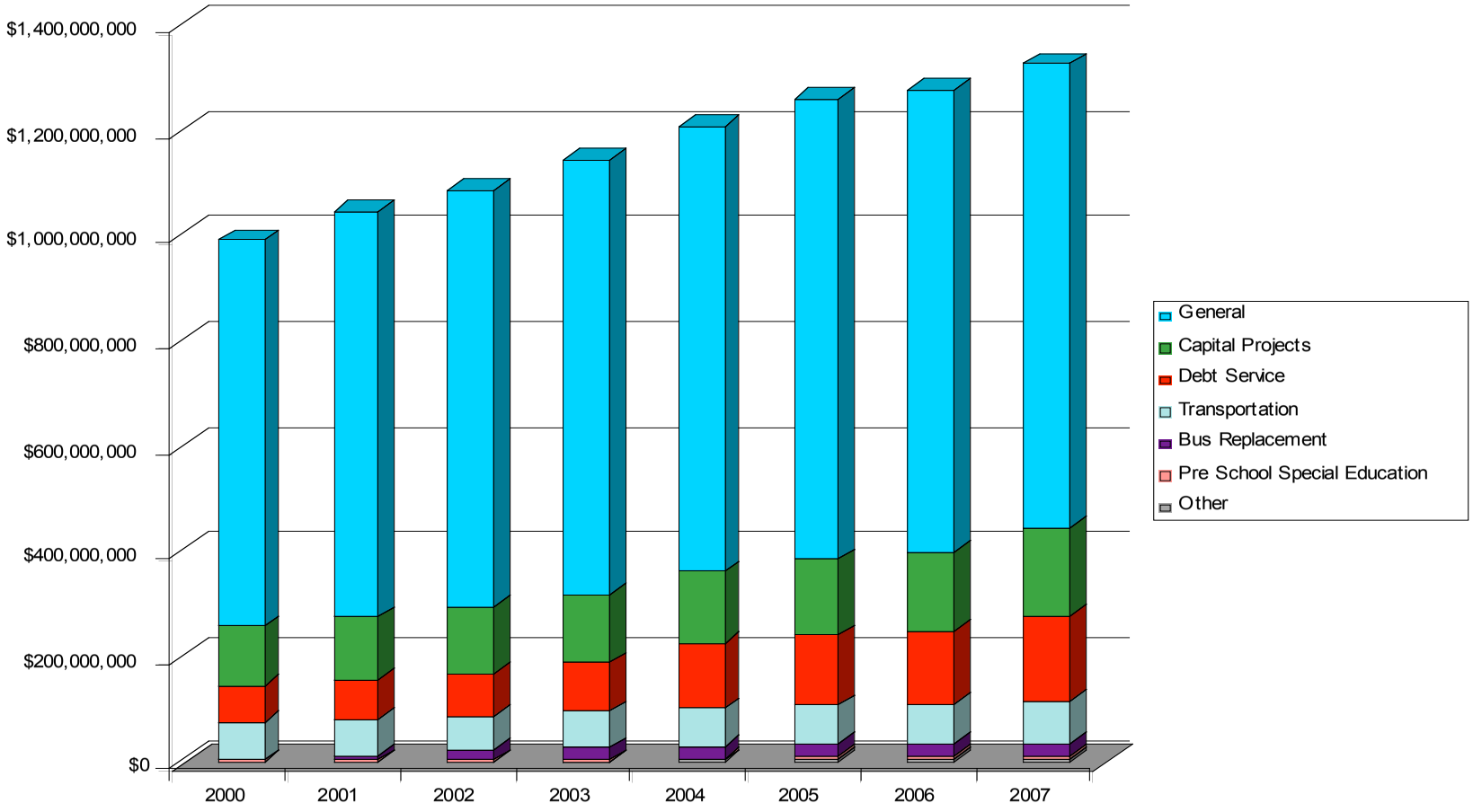


City and County • Library • IndyGo • HHC • Townships • Schools

(tax- supported operations only)

(tax-supported operations only)

Historical Appropriations



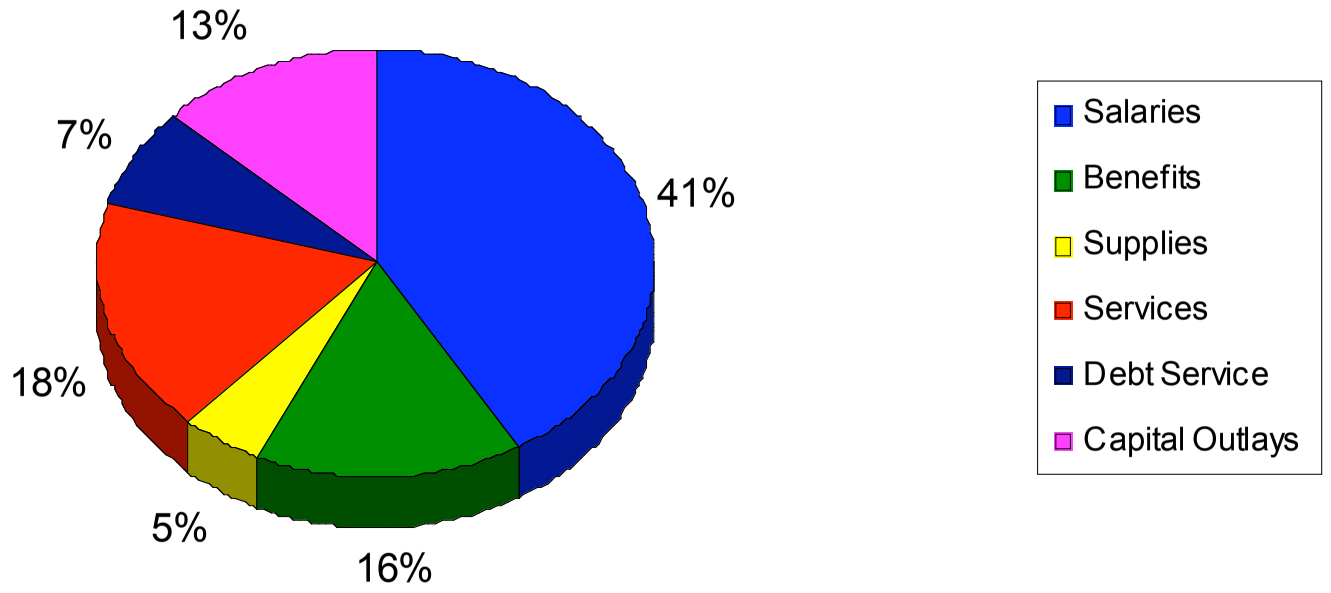
City and County • Library • IndyGo • HHC • Townships • Schools

(tax- supported operations only) (tax-supported operations only)

2008 Budgeted Appropriations

All Units Combined

$3,097.0 MM

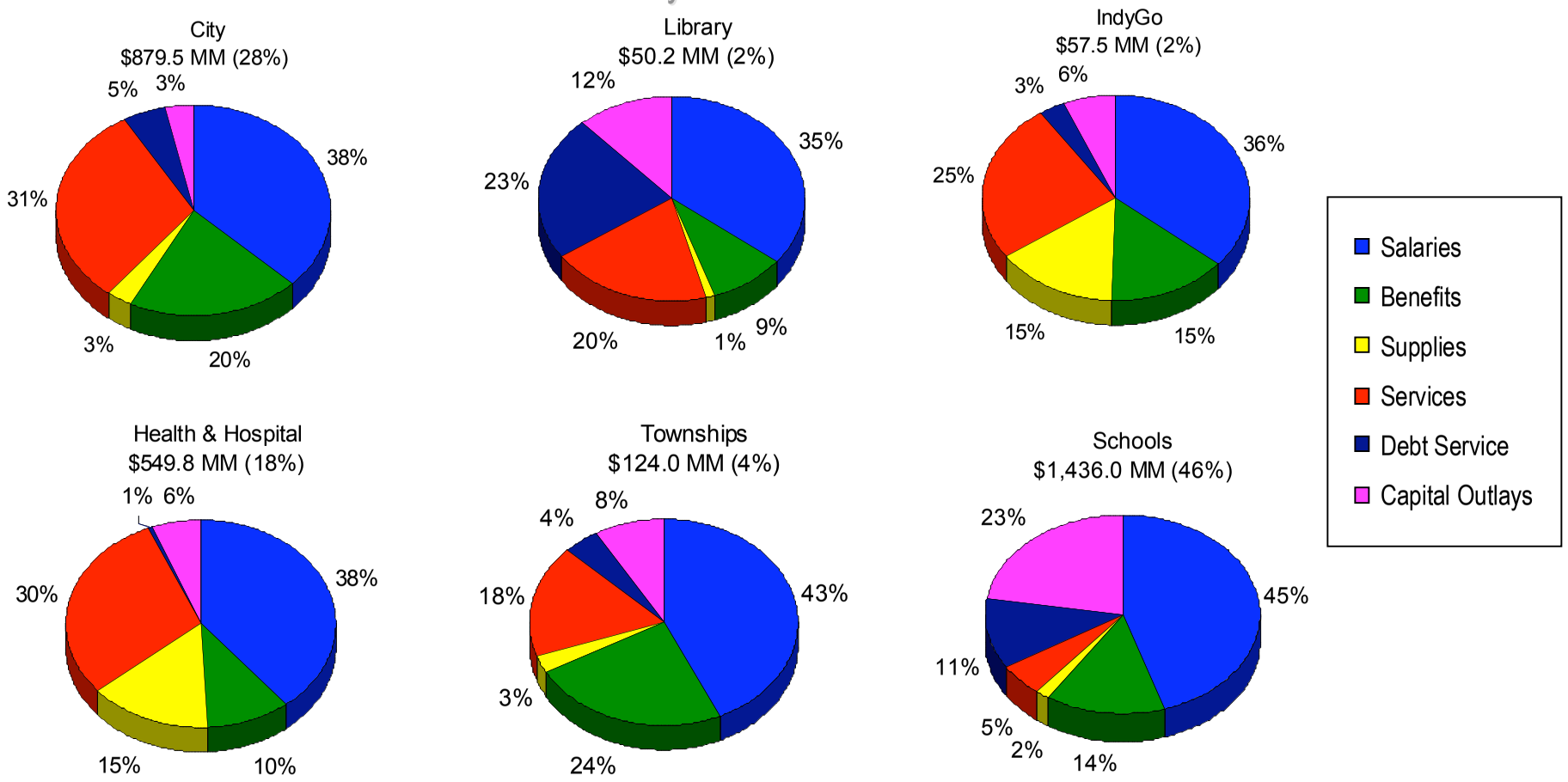


City and County • Library • IndyGo • HHC • Townships • Schools

(tax- supported operations only) (tax-supported operations only)

2008 Budgeted Appropriations

By Character



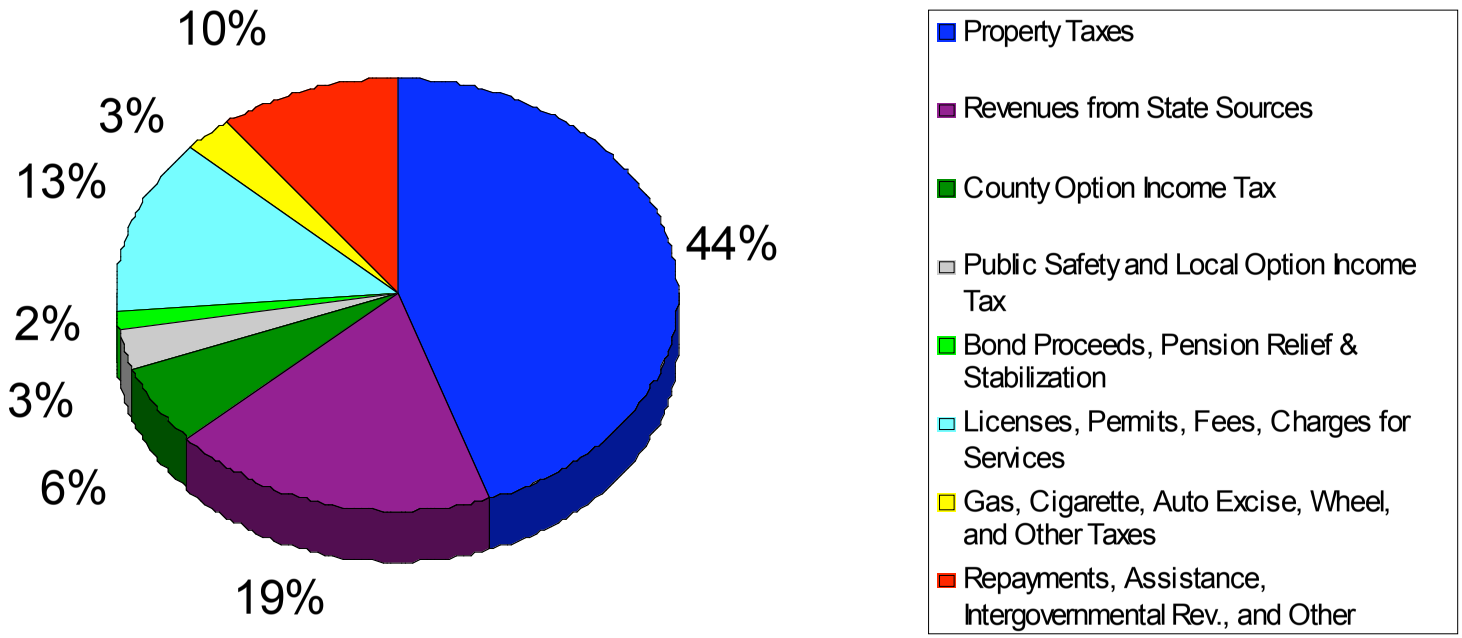
City and County • Library • IndyGo • HHC • Townships • Schools

(tax- supported operations only) (tax-supported operations only)

2008 Budgeted Revenues

All Units Combined

$2,964.4 MM



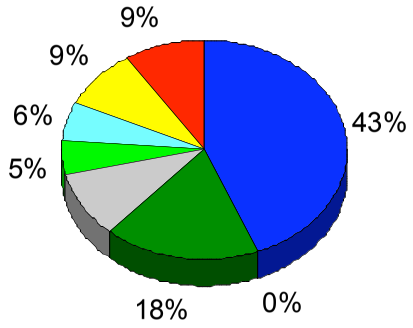
City and County • Library • IndyGo • HHC • Townships • Schools

(tax- supported operations only) (tax-supported operations only)

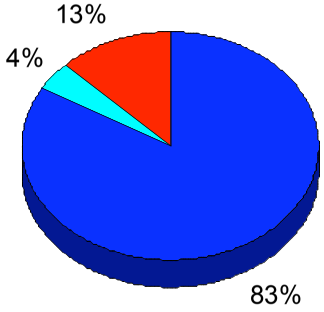
2008 Budgeted Revenues

By Source

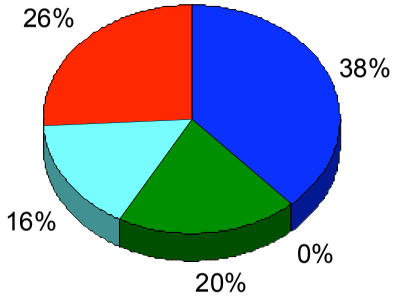
City
$874.4 MM (29%)



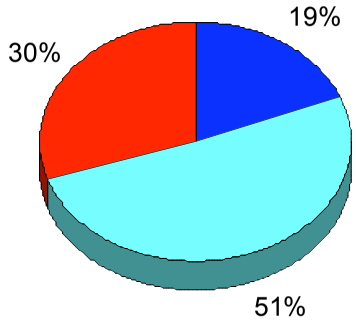
Library
$44.8 MM (2%)



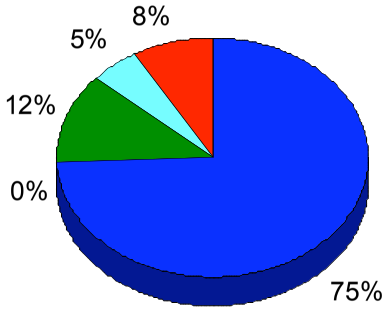
IndyGo
$57.5 MM (2%)



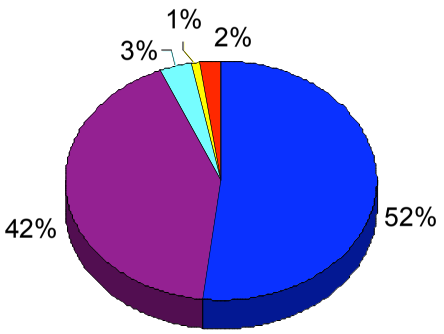
Health & Hospital
$538.1 MM (18%)



Townships
$109.8 MM (4%)



Schools
$1,339.7 MM (45%)



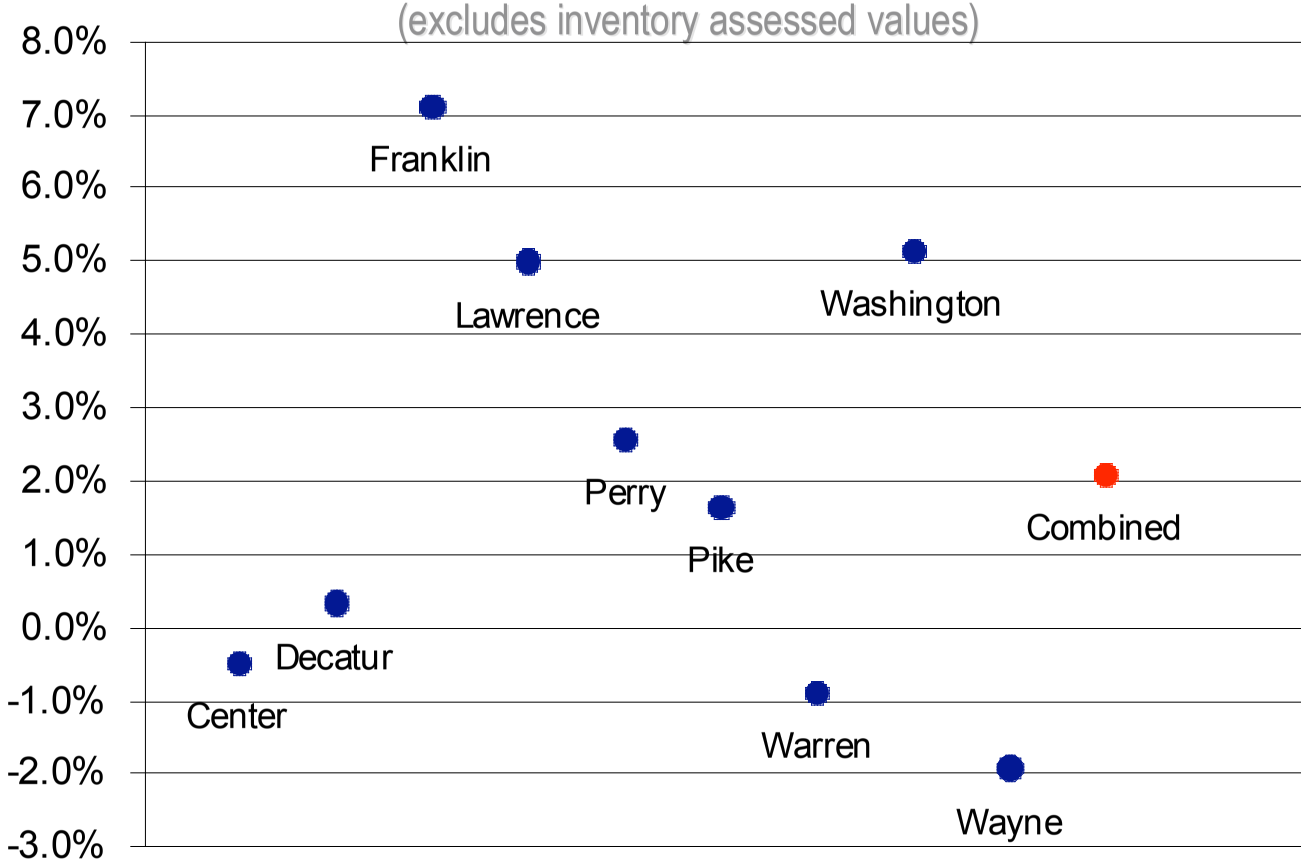
- Property Taxes
- Revenues from State Sources
- County Option Income Tax
- Public Safety & Local Option Income Tax
- Bond Proceeds, Pension Relief and Stabilization
- Licenses, Permits, Fees, Charges for Service
- Gas, Cigarette, Auto Excise, Wheel, and Other Taxes
- Repayments, Assistance, Inter-governmental Rev., and Other

City and County • Library • IndyGo • HHC • Townships • Schools

(tax- supported operations only) (tax-supported operations only)

Assessed Value Average Growth 2004 – 2007

(excludes inventory assessed values)



City and County • Library • IndyGo • HHC • Townships • Schools

(tax- supported operations only) (tax-supported operations only)

Financial Forecast

Key Assumptions

- Revenues
  - Property Tax Revenue
    - 2008 – Actual levy from DLGF
    - 2009 – No property tax rate increase for city and county; growth rate at recent average historical growth in assessed valuation for other jurisdictions
    - 2010 through 2012 – Property tax revenue growth at recent average historical growth in Assessed Valuation for the jurisdiction
    - Adjusted for HEA 1001 including impact of circuit breaker
  - Growth in revenues derived from personal income taxes (C.O.I.T., L.O.I.T and Public Safety Tax) at 3.4% (10 year average historical growth in Adjusted Gross Income)
  - Growth in other revenue sources at expected levels from 0% - 5% per year

Key Assumptions

- Expenditures
  - 2008 Appropriations used as initial year expenditures and anchor for forecasted years
  - Growth in Salary Expense of 3% per year
  - Growth in Benefits of 3 to 5% per year
  - Growth in Services, Supplies and Capital Projects at 0% to 5% per year
  - School Debt Service and Pension Bond costs at actual debt service requirements of currently issued bonds
  - School Bus Replacement costs based on plans filed with the Indiana Department of Education
  - Growth in School Transportation cost of 4% (estimated increase in non-farm income)

City and County • Library • IndyGo • HHC • Townships • Schools

(tax- supported operations only) (tax-supported operations only)

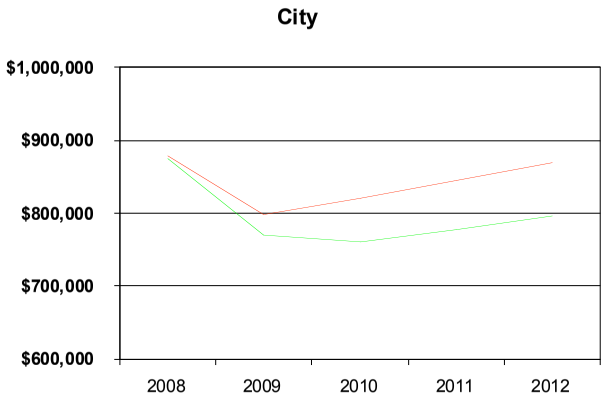
Forecasted Revenue and Expenditures ($000)

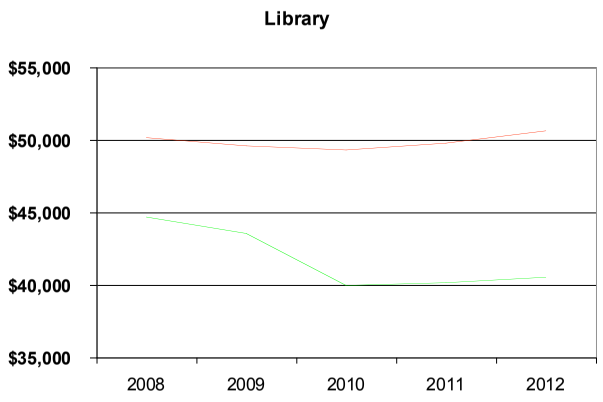
All Units Combined

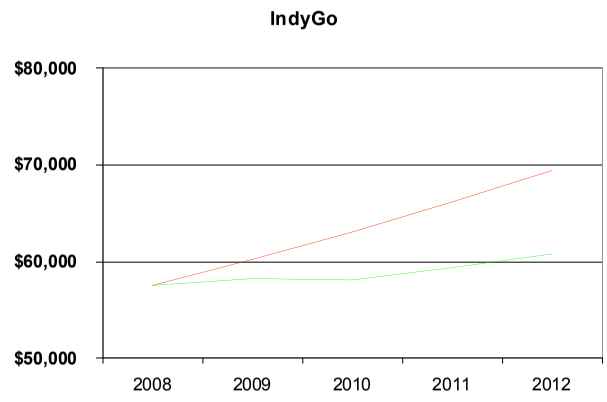
City and County • Library • IndyGo • HHC • Townships • Schools

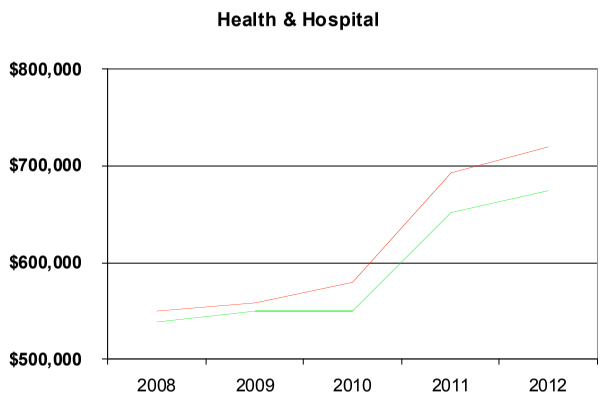
(tax- supported operations only) (tax-supported operations only)

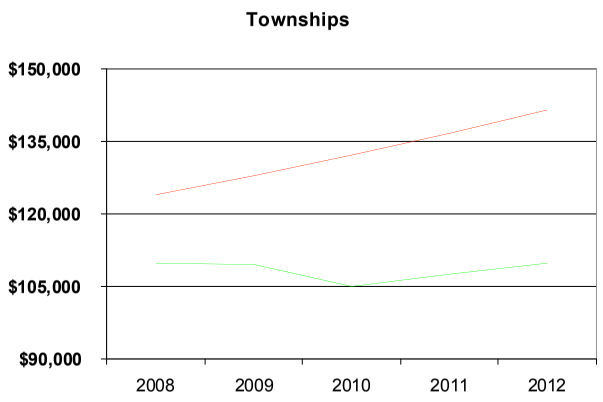
Forecasted Revenue and Expenditures ($000)

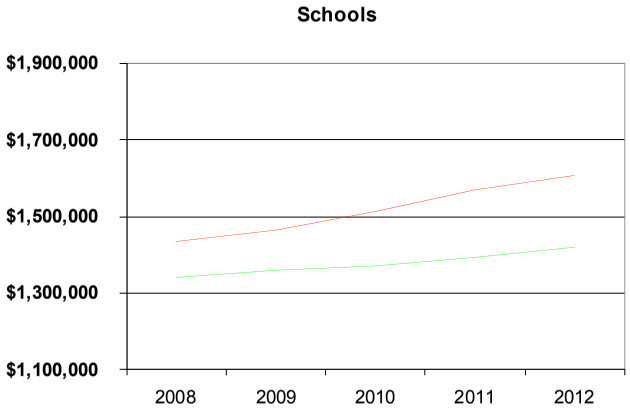












City and County • Library • IndyGo • HHC • Townships • Schools

(tax- supported operations only)

(tax-supported operations only)

Forecasted Fund Balances for Tax Supported Funds ($000)

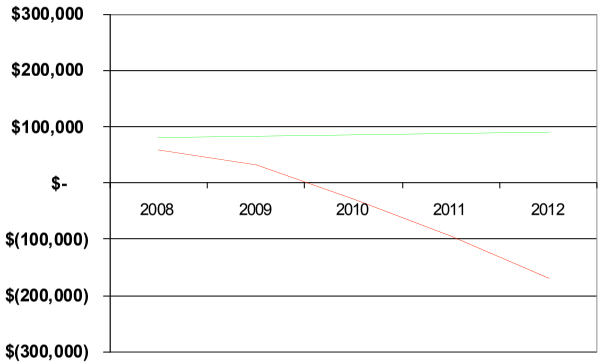
All Units Combined

City and County • Library • IndyGo • HHC • Townships • Schools

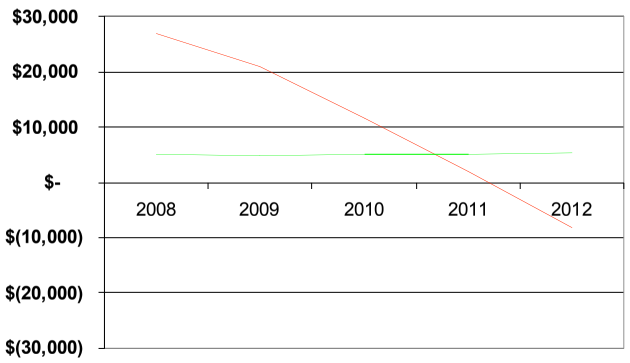
(tax- supported operations only) (tax-supported operations only)

Forecasted Fund Balances for Tax Supported Funds ($000)

City

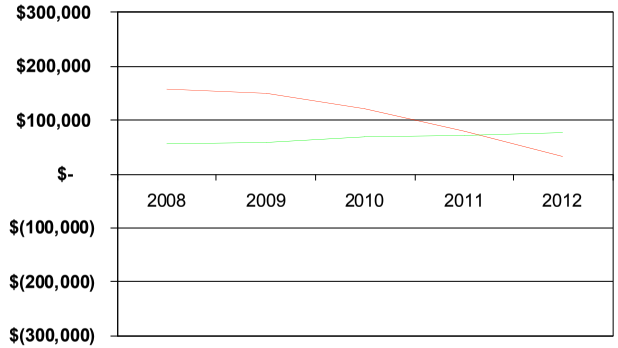


Library

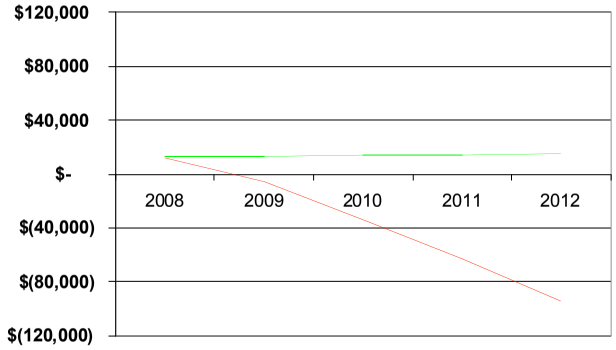


IndyGo

Health & Hospital



Townships



Schools

- Observations

  - The results included herein represent forecasted outcomes based on the identified assumptions, including the current 2008 appropriations as the anchor year activity. While 2008 appropriations have been authorized by the respective legislative bodies, they are not final until assessed valuations become known and property tax levies and rates are determinable.

  - Actions will no doubt be taken to change the forecasted results of deficit spending and negative fund balances. This forecast was not intended to identify or quantify the impact of those actions.

100 Day Report, April 9, 2008

Appendix B

City of
Indianapolis
Gregory A. Ballard, Mayor

HEA 1001:
Impact on Indianapolis-Marion County

Appendix B: Impact of HEA 1001 (Property Tax Reform Legislation) on Indianapolis-Marion County

The following summarizes the impact of HEA 1001 (passed in March 2008 by the Indiana General Assembly) on Indianapolis-Marion County Government.

- **2008** - $620 million homestead credit.

- **2009** – State takes over the following costs:

    - State tax levies.
    - School general.
    - Pre-77 local police and fire pension levy.
    - Child welfare levies.
    - Health care for the indigent.
    - Juvenile incarceration per diem.

  State pays for these costs with a 1% increase in state sales tax and the elimination of PTRC and existing Homestead credit.

  Standard deduction is $45,000 or 60% of the assessed value, whichever is less.

  For Example: A home with an AV of $100,000 deducts $45,000.
  A home with an AV of $50,000 deducts $30,000.

  Circuit Breaker is 1.5% for homesteads, 2.5% for rentals and apartments, 3.5% for other real and personal property.

  Homestead Credit is $140 million.

- **2010** – Same levies are paid by the state.

  Circuit Breaker is 1.0% for homesteads, 2.0% for rentals and apartments, 3.0% for other real and personal property.

  Homestead Credit is $80 million.

<u>Impact according to State of Indiana Legislative Services Agency</u>:

Marion County property taxpayers will pay $189 million less in property taxes in 2009 and $199 million in 2010.

Property tax bills are estimated to be reduced by 19% in 2008 (compared to the 2007 bills), 1.3% reduced in 2009 (compared to the 2008 bills), and 6.5% reduced in 2010 (compared to the 2009 bills).

Marion County units of local government are estimated to receive $31.3 million less in property tax revenues in 2009 and $111.6 million in 2010. City/County budget will lose $11.0 million in revenues in 2009 and $39.2 million in 2010.